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SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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FORM 10-Q

Quarterly Report Under Section 13 OR 15 (d)
of the Securities Exchange Act of 1934

For the Quarter Ended MARCH 31, 1992 Commission File No. 1-4436

92-2232

THE STEPHAN CO.
(Exact Name of Registrant as Specified in its Charter)

Florida	59-0676812
(State or Other Jurisdiction of Incorporation or Organization)	(I.R.S. Employer Identification No.)

1850 W. McNab Road, Ft. Lauderdale, Florida 33309
(Address of principal executive offices) (Zip Code)

Registrant's Telephone Number, including Area Code: (305) 971-0600

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the Registrant was required to file such reports), and (2) has been subject to the filing requirements for at least the past 90 days.
YES X NO _____

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PRECEDING FIVE YEARS:

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 and 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.
YES _____ NO _____

(APPLICABLE ONLY TO CORPORATE ISSUERS)

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the close of the period covered by this report.

Common Shares outstanding as of March 31, 1992:

1,964,527

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THE STEPHAN CO. AND SUBSIDIARIES
QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d)
OF THE SECURITIES EXCHANGE ACT OF 1934
MARCH 31, 1992

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THE STEPHAN CO. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	March 31, 1992	December 31, 1991
ASSETS		
CURRENT ASSETS		
Cash	$2,714,381	$2,649,287
Accounts Receivable, Net	1,483,525	1,406,270
Inventory	1,465,502	885,260
Prepaid Expenses	25,063	18,593
TOTAL CURRENT ASSETS	5,688,471	4,959,410
PROPERTY AND EQUIPMENT, Net	1,000,180	974,036
OTHER ASSETS	855,415	18,254
TOTAL ASSETS	$7,544,066	$5,951,700
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Current portion of long-term debt	$ 188,762	$ 90,195
Accounts payable and accrued expenses	1,045,203	912,469
Income taxes payable	301,307	523,768
TOTAL CURRENT LIABILITIES	1,535,272	1,526,432
LONG-TERM DEBT	1,248,605	852,020
TOTAL LIABILITIES	2,783,877	2,378,452
STOCKHOLDERS' EQUITY		
Common stock	19,645	12,337
Additional paid in capital	1,682,504	1,006,990
Retained earnings	3,058,040	2,553,921
TOTAL STOCKHOLDERS' EQUITY	4,760,189	3,573,248
TOTAL LIABILITIES & STOCKHOLDERS' EQUITY	$7,544,066	$5,951,700

See Notes to Consolidated Financial Statements.

(Unaudited)

THE STEPHAN CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS

	Three Months Ended March 31,	
	1992	1991
SALES	$3,522,458	$2,133,026
Less: Cost of Goods Sold	1,644,755	1,084,756
Gross Profit	1,877,703	1,048,270
Other Expenses		
Selling, general and administrative expense	1,105,355	597,110
Interest	29,342	23,415
Total Other Expenses	1,134,697	620,525
INCOME FROM OPERATIONS	743,006	427,745
OTHER INCOME		
Interest	16,158	14,692
Rental and other	4,654	4,022
INCOME BEFORE INCOME TAXES	763,818	446,459
FEDERAL INCOME TAXES	259,698	151,796
NET INCOME	$ 504,120	$ 294,663
EARNINGS PER COMMON SHARE	$ .23	$ .14
WEIGHTED AVERAGE NUMBER OF SHARES OUTSTANDING	2,147,380	2,147,380

See Notes to Consolidated Financial Statements.

(Unaudited)

THE STEPHAN CO. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31, 1992	1991
CASH PROVIDED/(USED) BY OPERATIONS:		
Net Income	$ 504,120	$ 294,663
Income charges (credits) not effecting cash:		
Depreciation	10,897	8,290
Amortization	14,068	-0-
Changes in certain working capital components:		
Change in accounts receivable	(77,255)	(257,253)
Change in inventory	(580,242)	11,784
Change in prepaid expenses	(6,470)	1,500
Change in accounts payable and accrued expenses	132,734	(30,284)
Change in income taxes payable	(222,461)	51,454
CASH PROVIDED/(USED) BY OPERATIONS	(224,609)	80,154
CASH PROVIDED/(USED) BY INVESTING ACTIVITIES:		
Purchase of property & equipment	(37,042)	(745)
Changes in other assets	(851,229)	-0-
CASH PROVIDED/(USED) BY INVESTING ACTIVITIES	(888,271)	(745)
CASH PROVIDED/(USED) BY FINANCING ACTIVITIES:		
Change in long-term debt, net of current portion	495,152	(18,870)
Increase from issuance of stock	600,000	-0-
Proceeds from exercise of options	82,822	-0-
CASH PROVIDED/(USED) FROM FINANCING ACTIVITIES	1,177,974	(18,870)
NET INCREASE/(DECREASE) IN CASH	65,094	60,539
CASH BEGINNING OF PERIOD	2,649,287	1,354,797
CASH END OF PERIOD	$ 2,714,381	$ 1,415,336

See Notes to Consolidated Financial Statements.

(Unaudited)

THE STEPHAN CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
QUARTERS ENDED MARCH 31, 1992 AND 1991

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION: In the opinion of management, all adjustments necessary for a fair presentation are reflected in the interim financial statements.

PRINCIPLES OF CONSOLIDATION: The consolidated financial statements include the accounts of The Stephan Company, and its wholly-owned subsidiaries, Foxy Products, Inc., Old 97 Company and Williamsport Barber and Beauty Corp. All inter-company balances and transactions have been eliminated in consolidation.

INVENTORIES: Inventories of finished goods and work in process are stated at the lower of standard cost (approximate actual cost on the first-in, first-out basis) or market. Inventories of raw materials, containers and packaging materials are stated at the lower of cost (first-in, first-out basis) or market.

	March 31, 1992	December 31, 1991
Inventories:		
Raw Materials	278,624	377,812
Finished Goods	746,774	224,414
Packaging Materials	440,104	283,034
Total Inventories	$1,465,502	$ 885,260

PROPERTY AND EQUIPMENT: Property and equipment are recorded at cost. Depreciation is provided, principally on a straight-line basis, over the estimated useful lives of the assets. Expenditures for maintenance and repairs are charged to expense as incurred and major renewal or replacements are capitalized.

RESEARCH AND DEVELOPMENT COSTS: Costs for research and development activities are expensed as incurred, and were not significant in any of the periods currently being reported.

INCOME TAXES: The provision for income taxes is based upon book income, after giving consideration to state income taxes. No investment tax credits have been available or used, there are no material deferred income taxes, and all unused net operating losses have expired.

THE STEPHAN CO. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
QUARTERS ENDED MARCH 31, 1992 AND 1991

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (con't)

EARNINGS PER SHARE: Earnings per share are based on the weighted average number of shares outstanding, after giving consideration to a three for two stock split, by way of stock dividend, effective in March, 1992. The weighted average number of shares outstanding was 2,147,380. Earnings per share for the quarter ended March 31, 1991 has been restated to give retroactive effect to the above stock split.

NOTE 2: CAPITAL STOCK

At March 31, 1992, 5,000,000 shares of $.01 par value common stock and 1,000,000 shares of $.01 par value preferred stock were authorized for issuance. Common shares issued and outstanding were 1,964,527 and no preferred shares have been issued.

NOTE 3: LONG-TERM DEBT

At March 31, 1992, long term debt consisted of the following:

10% mortgage payable in installments of $4,824, principal and interest through December, 1997. (a)	$ 252,324
8.86% mortgage payable in installments of $5,888, principal and interest through December, 2008. (a)	553,156
4% note payable in installments of $2,436, principal and interest through July, 1990. (b)	116,380
7.7% note payable in installments of $5,403, principal and interest through January, 1999. (c)	340,507
10% note payable, minimum payment of $60,000 per year, plus interest. (d)	175,000
	1,437,367
Less current portion	188,762
LONG-TERM DEBT	$ 1,248,605

NOTE 3: LONG-TERM DEBT (con't)

(a) Secured by land and buildings.

(b) Debt related to purchase of Old 97 Company.

(c) Debt related to purchase of Williamsport Barber and Beauty Corp.

(d) Debt related to acquisition of MASSIMO FAUST line from Dow Brands.

At March 31, 1992 aggregate annual maturities of long-term debt during the next five years approximate $180,000 for 1993, $205,000 for 1994, $215,000 for 1995, $155,000 for 1996 and $160,000 for 1997.

NOTE 4: COMMITMENTS AND CONTINGENCIES

The 10% mortgage payable has an acceleration clause calling for payment of the note six months after Frank F. Ferola (President and Chairman of the Board) ceases to be a stockholder and/or a director.

Pursuant to the terms of the acquisition of the Williamsport operations, the former owner of Williamsport Barber Supply entered into a two-year employment contract, the terms of which provide for a bonus, in addition to regular compensation, equal to 3% of the net income of the acquired entity, as defined by the contract. Included in other assets are amounts attributable to a non-compete agreement ($263,542, net of amortization) and goodwill acquired ($498,390, net of amortization).

In connection with the acquisition of the MASSIMO FAUST line, the terms of the agreement call for a royalty of 3% of product sales for 5 calendar years commencing January 1, 1993, with minimum annual payments of $15,000 per year. Included in other assets is $75,000 representing acquired patents, formulas and trademarks.

The President, Chairman of the Board and major stockholder of the Company is Frank F. Ferola and his employment contract gives him the right to purchase Old 97 Company at a price approved by the Board of Directors in the event of a change in the majority ownership of the Company.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

RESULTS OF OPERATIONS

The Company continues to show strong growth in both sales and profits through the first quarter of 1992. Sales for the three months ended March 31, 1992 were $3,522,459, which represents a 65% increase over the comparable three month period for 1991. The increase of approximately $1,390,000 indicates a very strong trend for 1992. Net income for the period increased 71% from $294,663 for the three months ended March 31, 1991 to $504,120 for the current three month period. Earnings per share for the period ended March 31, 1992 was $.23, compared to $.14 for the previous year (retroactively adjusted for a three-for-two stock split in March, 1992).

Management can attribute several reasons for the continued growth in sales and earnings. In addition to the steady increase in the distribution and sales base of the **STEPHAN** brand name, and the increase in private label business, the Company consummated two acquisitions in the first quarter of 1992.

In January, 1992, the Company acquired the assets of Williamsport Barber Supply. Located in Williamsport, Pa., the company engages in the wholesale distribution of various hair care products to over thirteen states through a mail order catalog distributed semiannually. Overall, the contribution to sales and profits by this new subsidiary has been on target and management believes this acquisition will serve as a significant foundation in increasing the overall distribution channels for the **STEPHAN** line, as well as expanding the mail order business.

Also in the first quarter (February, 1992), the **MASSIMO FAUST** product line was acquired from Dow Brands. The **FAUST** hair care line consists of products such as shampoos, conditioners and gels, and are all distributed on a national retail level. The acquisition included finished goods inventory, work in process and remaining components, raw materials, trademarks and formulas. While the acquisition was made late in the first quarter and therefore did not have a significant impact on sales and profits, management has been able to establish a smooth transition in both production capabilities as well as building a rapport with the existing distributors.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS (con't).

As has been the case in the past, aggressive purchasing policies have kept raw material and packaging cost increases to a minimum, and cost containment in the general and administrative expense area have both resulted in increased net profits.

LIQUIDITY & CAPITAL RESOURCES

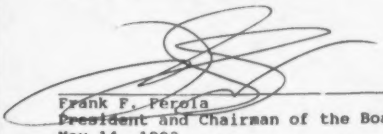
As of March 31, 1992, the Company had over $2,700,000 in cash. Total current assets were $5,688,471 at March 31, 1992, compared to $4,959,410 at the beginning of the year. Working capital was over $4,150,000, an increase of over $700,000 since December 31, 1991. This extremely strong showing, even after a significant outflow of cash in the first quarter of 1992 for both acquisitions and payment of income taxes serves to justify the Company's credit, collection, sales and cash management policies in these very tough economic times

The Company's significant cash position allows aggressive purchasing, which helps keep costs lower, and also allows the Company to take advantage of acquisition opportunities as they arise. Over the last two and one-half years, the market has responded very favorably to the Company, and the price of the stock has risen dramatically. This also allows greater flexibility to the Company when it considers products and/or compatible companies to acquire. Management has always felt that profits should be put back into the Company for expansion purposes, thus cash has increased significantly over the last two years. In trying to balance the need for cash with the desire to give the stockholders a tangible return on their investment, the Company, within the past 15 months, has authorized three separate three-for-two stock dividends.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto, duly authorized.

THE STEPHAN COMPANY



Frank F. Perola
President and Chairman of the Board
May 14, 1992